

MEMORANDUM FOR: Director of Central Intelligence  
SUBJECT: CIA Legislation

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2. This memorandum raises the question of how CIA should proceed in securing legislation in the field of personnel benefits such as allowances, leave, travel expenses, and retirement. Should we continue the past procedure of endeavoring to catch up with the Foreign Service? Should we continue with our plans and efforts in the field of "early retirement?" The alternative posed for consideration is that of securing legislation authorizing the Director of Central Intelligence to adopt the authorities of the Foreign Service Act for application to Agency employees.

3. Since the establishment of CIA, for policy and security reasons, we have generally attempted to apply to all Agency employees abroad the benefits of the Foreign Service Act (except retirement). There is no reason to suppose there will be a different approach in the future.  
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4. Throughout the Government recognition of the desirability of uniform overseas benefits culminated in the passage of the Overseas Allowances Act in 1960 standardizing most benefits for all civilian employees. This standardization lasted less than a year, however, when the Foreign Service, in 1961, secured additional legislation in the field of allowances and leave. Both USIA and AID have solved the problem of overseas benefits by obtaining legislation authorizing application of the provisions of the Foreign Service Act to their employees. The Agency, in some areas, has kept abreast by amendments to the CIA Act of 1949. In other cases, the Agency has adopted new benefits administratively although with some doubts as to the clear legal authority.

5. In most respects the Foreign Service historically has been ahead of other agencies in securing more modern and needed benefits for their employees. Agency administration and security is enhanced where we adhere to the Foreign Service standards. This situation would be further improved if the benefits were available immediately upon approval of new legislation rather than leaving a gap until we acquired necessary legislation or adopted it administratively. Broad authority for the Agency to utilize

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Foreign Service standards would further eliminate the burdensome and time consuming task of preparing and securing passage of necessary legislation.

6 The question of retirement deserves special comment. For years the Agency has studied, planned and discussed "early retirement." A more liberal system devised by the Agency was discussed in 1957 with the Bureau of the Budget and the Civil Service Commission. Neither gave its full approval to the proposals which would have amended and made more liberal the benefits of the Civil Service Retirement Act for certain Agency employees. It is known that the so-called FBI retirement was not to the liking of the House and Senate Post Office and Civil Service Committees. Repeated expressions from those groups have indicated they would resist any further liberalization of the Civil Service Retirement Act for the benefit of a special class of employees. In general, it would be extremely difficult for the Agency to devise and "sell" a retirement plan for which there is no precedent. The Foreign Service retirement system includes the concept of "early retirement" and to seek application of it to the Agency would have the advantage that we would be urging a tried and proven system for which there was precedent. See attached Appendix A for additional details on the retirement question.

7. Probably a far more difficult obstacle than securing congressional approval of Foreign Service type retirement is securing Agency agreement and Bureau of the Budget approval. The problem within the Agency and probably within the Bureau of the Budget would center on the question of what group of employees should be covered. To apply them to the existing members of the Career Service is simply not reasonable. The concept of a professional intelligence corps of career officers reaches to the heart of the only real asset the Agency has, i. e., people. Application of this new retirement system to the professional career officer who obligates himself to serve anywhere at any time would, in my opinion, be fully acceptable to the Congress.

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Appendix A